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CC:	
Date:	Thu, 5/21/2015 6:37:30 PM
Subject:	Daily Update

Quote of the Day

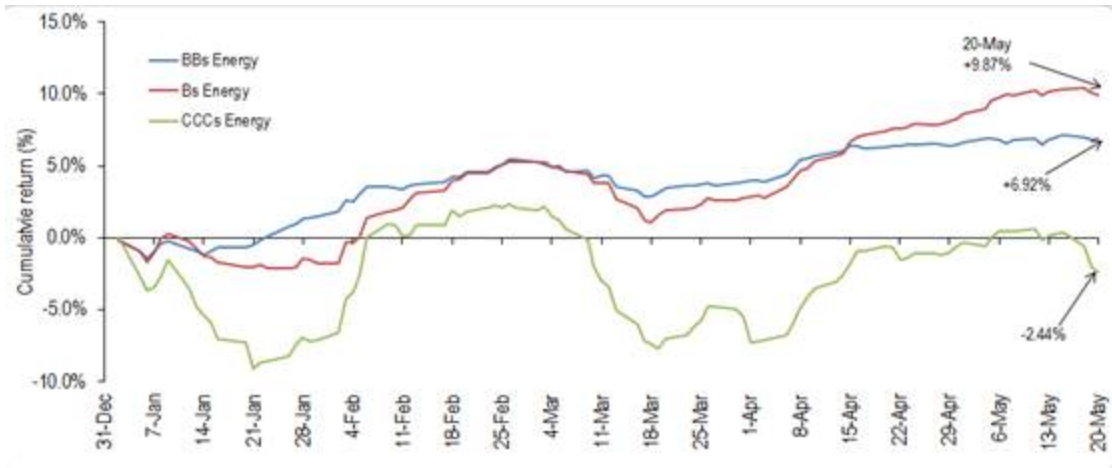
“A sound investment can morph into a rash speculation if it is bought at an elevated price” – Warren Buffet

- The market continues to sleepwalk wrapped in a comfortable snuggie provided by global policy support (see sentiment chart below). When does bad data mean bad again?..... The news of yesterday was the Fed minutes. The main headlines: The Fed wrote off the first quarter slow down to temporary factors however, long-term issues are starting to sow some seeds of doubt to their outlook... Interestingly, Gold and the Dollar have started to decouple (trouble in growth and inflation paradise coming?...). In the other news there is chatter about under-performance of the Transports and possible further weakening in the economy. Finally, the statistic of the day: S&P 500 companies should return over \$1tr of cash in 2015 (That's around \$4bn, per business day, from just 500 companies for those without a calculator to hand...). Futures: unch 10 year: 2.20%



- Data: Claims 274k (vs. 270k exp). Home Sales at 10am. Euro-Area Services PMI falls a bit while Euro-Area Manufacturing PMI rose a bit. Both in expansionary territory
- Credit: Energy and BB high yield bonds have been drifting lower as have loan prices. Lipper is tracking +250mm of retail loan inflows. Loan repayments have jumped to \$49bn.... Otherwise not much doing. The desk is looking for swap ideas. Please come by for a chat.

HY bond performance



- Charts of the day:

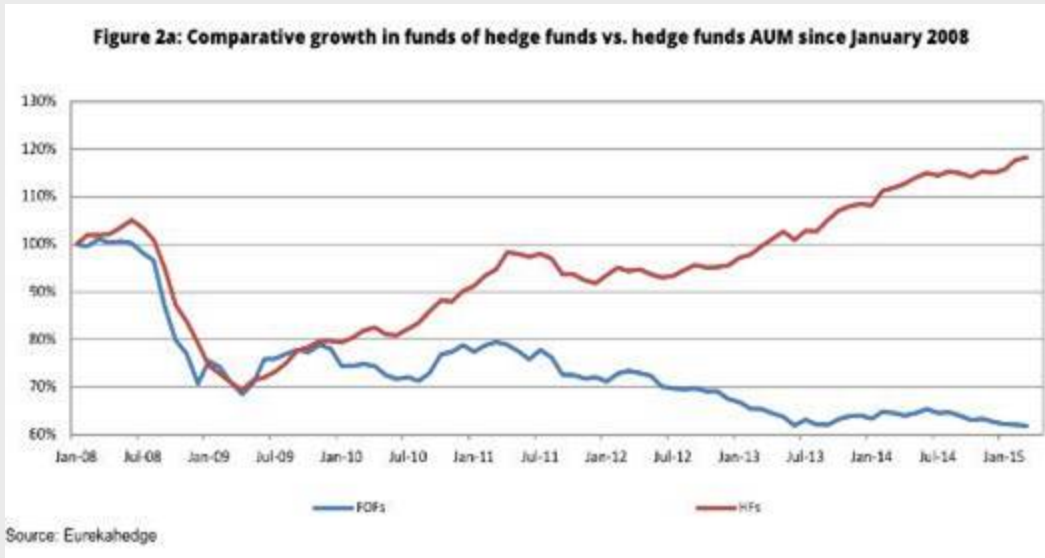
US Treasury Floating Rate Index (a.k.a The get long loans chart)



Fed Balance Sheet (a friendly reminder)



Hedge Fund of Funds are under pressure

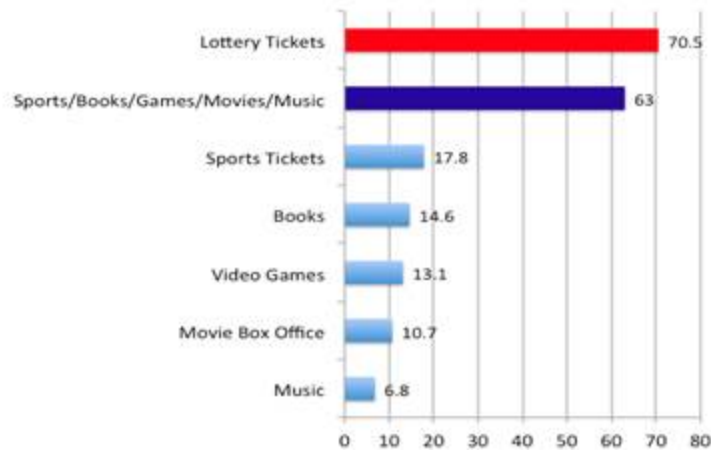


Source: @LadyFOHF

- Other:

- Wow. Texas big!!!! <http://www.dailymail.co.uk/news/article-3087774/America-s-biggest-ranch-larger-LONDON-goes-sale-713mil>
- Makes sense <http://www.cnbc.com/id/102694830>
- Bin Laden's reading list http://www.politico.com/magazine/story/2015/05/osama-bin-laden-compound-books-118167.html#.VV3hIU_BzRZ
- Entertaining =>

Lottery and Entertainment: Annual Spending in Billions of Dollars



- HY: 107 (-)
- IG: 64 (-1/4)
- CSLLI: 0.19% mtd / 3.18% ytd

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